



STATE OF NEVADA
STATE CONSERVATION COMMISSION
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DRAFT MINUTES
STATE CONSERVATION COMMISSION

February 3, 2011 – 10:00 am
Department of Conservation and Natural Resources
Division of Water Resources – Tahoe Hearing Room
901 S. Stewart Street, Room 2002, Carson City, NV 89701

The Nevada State Conservation Commission held a public meeting on February 3, 2011 – 10 am at the Department of Conservation and Natural Resources, Division of Water Resources – Tahoe Hearing Room, 901 S. Stewart Street, Room 2002, Carson City, NV 89701. The State Conservation Commission considered and acted on the following items on February 2, 2011.

Board Members Present: Joe Sicking, Paradise/Sonoma CD; Vance Vesco, Big Meadow CD; Chris Freeman, Nevada Tahoe CD – via teleconference; Eric Rieman, Carson Valley CD; Leland Wallace, Esmeralda CD; Joseph Fortier, CD of Southern Nevada; Donna Lamm, Southern Nye County CD; Dr. Rangesan Narayanan, UNR College of Agriculture Biotechnology and Natural Resources; Ed Foster, NV Dept. of Agriculture.

Others Present: Jim Lawrence, Executive Secretary, NV Division of Conservation Districts; Brandi Ré, NV Division of CDs; Rich Wilkinson, Dayton Valley CD; Joe Ricci, Dayton Valley CD; John Gavin, Dayton Valley CD; Robert Depaoli, Big Meadow CD; Dan Kaffer, USDA/NRCS/WNRC&D; David Hardy, Dayton Valley CD; Austin Osborne, Washoe-Storey CD; Jessi Eckert, Lahontan/Stillwater CD; Michelle Langsdorf, Mason & Smith Valley CD; Kevin Benson, Attorney General's Office; Pam Wilcox, Citizen.

CALL TO ORDER - Quorum established.

A. Chairman Sicking called the meeting to order at 10:03 am. Introductions were made of those present. Commissioner Freeman joined the meeting via teleconference.

II. REVIEW AND APPROVAL OF AGENDA - *ACTION*

A. The agenda was approved as written via a motion to approve by Vice-Chairman Vesco, seconded by Commissioner Fortier, motion passed.

III. REVIEW, AMENDMENT AND APPROVAL OF MINUTES - *ACTION*

A. *Approval of Minutes from October 25 & 27, 2010:* A motion to approve the minutes as written by Commissioner Fortier, seconded by Commissioner Lamm, motion passed.

IV. PUBLIC COMMENTS – No public comment.

REPORTS TO THE COMMISSION – Status of Division of Conservation Districts

1. *Agency Update– Jim Lawrence*

- a. Mr. Lawrence provided a staff update. Kelly McGowan has taken a position as an Environmental Scientist with the Environmental Protection Agency, Bureau of Safe Drinking Water. Sandi Gotta accepted a position as a Grant & Project Analyst II within the QI Program. The current staff to the division is Brandi Ré and Jim Lawrence until June 30, 2011.
- b. Jim noted his comments regarding the division's budget would be discussed under item VII of the agenda.
- c. Jim reviewed a letter received from James Settlemyer, Chairman of the Carson Valley Conservation District regarding the proposed elimination of the division, commission, and subsequent impacts to the local districts.

2. *General/Correspondence– Brandi Ré*

- a. Brandi directed the commission to tab 5 to review copies of letters drafted and ready for Chairman Sicking's signature and distribution. The first letter was to Jason King, State Engineer regarding a proposed regulation amendment defining the term "Environmentally Sound". The second and third letters were to NvACD in support of the Livestock Care Standards Board and Pinyon Juniper resolutions presented at the NvACD annual meeting in October.

V. AGENCY UPDATES –

A. *Nevada Department of Agriculture– Ed Foster*

1. Commissioner Foster provided a staff update noting Jim Barbee is the temporary Acting Administrator for the department. He came from the Department of Education, FFA and has been in state service for 11 years. He brings a fresh outlook and approach to the department.
2. The department did not suffer any staffing cuts due to budget reductions with the exception of a few administrative assistants early on. There are employees up for retirement that will help them meet the necessary reductions. The department staff is working well with what they have and overall staff morale is good.
3. The possibility of the Department of Ag. being absorbed by the Department of Business and Industry is unlikely.

B. *UNR College of Agriculture Biotechnology and Natural Resources– Dr. Rangesan Narayanan*

1. Commissioner Rang provided a brief update on the college's budget. The base used already included a 40% reduction. The college has taken 5 million in cuts within the last 3 years. There is a proposed 27% cut in the next biennium.

VI. OLD BUSINESS

A. Review and approve letter to Public Utilities Commission regarding proposed peak period penalty rate. – *ACTION*

1. The commission discussed at length the PUC's proposal of imposing a peak period non-curtailment penalty rate and the impacts it will have on Nevada's agricultural producers. Chairman Sicking noted the hook up fee has been reduced from \$500 to \$250, as it was discussed at a PUC meeting he attended yesterday. The commission reviewed the drafted letter written to the PUC opposing the rate increase and subsequent penalties. Commissioner Fortier made a motion to approve, seconded by Commissioner Wallace, motion passed.

VII. NEW BUSINESS

Review and discussion of the Governor recommended FY2012/2013 budget for the Division, State Conservation Commission and the Grants to District Program. – *ACTION*

- I. Jim Lawrence presented the Governor's recommended budget, which eliminates the Division of Conservations Districts, the State Conservation Commission, grants to district program, and the workers comp. and general liability insurance the state has covered for the districts in previous years.
 - a. During the budget reduction process, the director's office and administration indicated a tremendous appreciation for the good work done by the local conservation districts; however, due to the painful departmental budget cuts it became clear the state could not continue to provide financial support to the program.
 - b. Jim recapped the lengthy budget process which led the department and Governor to this decision. The first set of cuts allowed the department to maintain the program in a reduced version as reported at the October 2010 meeting. However, in November the economic forum met again and had to greatly revise their calculations based on what they projected as incoming revenue to the state. Because they had to adjust the calculations, departments were given new budget targets with significant reductions attached to them. In addition, the instructions were to get away from doing business as usual, being the standard 10% reduction across the board used before. It forced departments to identify programs and activities and evaluate them against specific criteria. The evaluation criteria included: is it in the constitution, is it federally mandated, is it critical to public health and safety or education? When compared to other programs, they had to be identified as an essential service of state government. The division did not rank as high during those assessments.
 - c. The statutory bill change that would accompany the budget was discussed. There is no intent in the Governor's budget to abolish local state conservation districts. The hope is the local conservation districts will be able to carry on and continue doing their good conservation work without state support. Jim explained NRS 548 will remain, however sections that outline the roles of the commission and would require a change in language with the dissolution of the commission. The budget office drafts necessary statutory changes to implement and carry out the budget. Most of the statute does not mention the division, but mainly pertains to the commission and how it relates to the local districts. Jim understands there will be a red line version where all of the language referring to the commission will be eliminated; however he has not seen any language at this time.
 - d. Commissioner Freeman raised the question if the districts would have the power to work on land use issues? It is unclear at this time as language has not been released. They have had the ability in the past although they have never utilized it.
 - e. The districts would not be required to report to the commission or division. It would be the districts' responsibility to make sure they are holding elections, maintaining their records, and following the open meeting law.
 - f. DCNR is back to 1997/1998 funding levels. Leo Drozdoff reported a 39% cut at last week's budget hearing. To achieve this, the department took significant reductions across the board. Environmental Protection and Heritage had to find alternative funding and are now completely off the general fund. Water Resources is losing 5 positions, in addition to significant operating cuts. Division of Forestry is looking at 19 positions being eliminated, closure of the Minden dispatch center and closure of conservation camps. State Parks is looking at a closure at Dangberg Ranch in Minden and their general fund budget

has gone from a historic level of 60% to 28%. Commissioner Rieman questioned Jim on what cuts State Lands took. Jim reported the Division of State Lands has less general fund positions than in the 1998 budget. State Lands reduced their state planner positions down to one position and have removed it off the general fund. The entire operating budget has been reduced to the bare minimum. Since 2008, the Division of State Lands has been able to cover a lot of the reductions for the Division of Conservation Districts. DSL have 30% staffing reductions in the general fund over the last 2 years. With the discussion of essential staff requirements to carry out essential services of state government, DSL doesn't have the ability to continue to take cuts for DCD program.

2. There was a discussion about the commission developing an alternative budget to present to legislators. Jim said this is an opportunity for the commission to restructure and have a thoughtful discussion of what the DCD program should look like in the future. To prioritize what areas of the program the commission would strategically like to see maintained. Jim instructed that the status quo is always an option, however, cautioned it did not fare well in the Governor's budget and to take this time to collectively weigh the commission's priorities.

- a. Chairman Sicking requested council from Pam Wilcox, former Administrator for the division. Pam spoke of the past budget cuts and what was previously done to preserve the program. She indicated the program has prospered and to return to a commission only program is not feasible. However, she noted the department itself has taken a 39% reduction and it is a clear indicator that drastic measures are going to be required to maintain the program even in a limited capacity. There is no magical reduction number that will guarantee survival. She advised the commission of their right to present a proposed budget to the legislature and encouraged them to do so.
- b. Commissioner Freeman suggested a letter be drafted and sent to the district supervisors to reflect the impacts they will assume under the Governor's proposed budget. Chairman Sicking indicated the commission will have staff draft such a letter. Brandi Ré will draft a letter and email it to Chairman Sicking for his review and approval. Chairman Sicking requested the letter initially be emailed and hard copies mailed to all district supervisors and staff. Jim clarified the division will put an impact letter out to the districts; however, if Chairman Sicking was requesting a call-to-arms letter, it would need to come from Joe and the commission.
- c. Commissioner Rieman made a suggestion of possibly giving the money to the counties and having the counties distribute the grant to the districts. Jim asked if the appropriation would be given directly from the legislature to the counties or if it would go through the commission? Commissioner Rieman suggested the commission would administer the grant. The overall discussion proved the majority of the commission would not be in favor of having the counties distribute the grants.

3. Rich Wilkinson from DVCD raised a concern of district liability. The districts will be responsible as sub-divisions of state government to maintain and pay their workers comp. and general liability insurance. If the district does not maintain the insurance the liability would remain on the individual district, not the state. If a lawsuit was to be filed, the lawsuit and fees associated with it would be against the district.

- a. Kevin Benson, Deputy District Attorney clarified it is the individual districts responsibility as a sub-division of state government. They are obligated to pay for the insurance; however the state is not obligated to give them the money to pay the insurance. It will be their responsibility to find the funds to pay the premium. The state would not be jointly liable in the case of a lawsuit.

4. Dan Kaffer from NRCS/WNRC&D commented NRCS would continue to support the local conservation districts and emphasized the importance of this partnership. The

locally led initiative working in conjunction with the federal agencies is a hand and glove relationship and is critical to the conservation efforts in the state. Agriculture provides an incredible support of public safety for fire prevention, flood prevention, and wildlife habitat conservation. In states that support locally led conservation districts, there are additional health and safety benefits to its land, water supply, animals and residents.

5. Chairman Sicking identified probable impacts to the counties and the state if the conservation district program is dissolved.

- a. Each district receives a minor amount of state funding each year. In FY 2010, the districts were able to generate nearly \$29 for every dollar they received in state grants administered through the Division of Conservation Districts and the State Conservation Commission. Of the \$3.4 million expended by districts, over \$2 million dollars came in the form of federal grants. Most of the funding received was only made possible by the fact that each district is considered a subdivision of state government and thereby eligible to apply for the funding.
- b. This funding allows districts to hire employees to carry out district activities and to also sub-contract with service providers and contractors to implement a wide array of natural resource conservation activities.
- c. Several districts assist county governments to plan and implement noxious weed control, land use planning and development, storm-water management, water resource protection and enhancement, wildlife habitat improvements, and wildfire suppression and rehabilitation.
- d. Conservation District supervisors consist of locally elected officials and county and city appointees. The local districts are responsible for organizing local work groups to discuss natural resource priorities in their area and to establish acceptable cost share rates when implementing the USDA's NRCS' farm bill programs. Without their input it is conceivable that federal farm bill programs in their area could be diminished. The NRCS has a State office in Reno and 9 other field offices statewide. If there is a lack of awareness of the programs and thereby a lack of participation in the programs, it is likely that federal funding will be diverted to other states and that field offices could be eliminated or staff size reduced.
- e. With the dissolution of the CD program, Nevada would become the Nation's first state or territory to not have a conservation commission or a division of state government that administers a conservation district program. Many of our CD's were formed in the late 1930's and early 1940's.
- f. Most conservation districts statewide have a cooperative program with counties to treat noxious weeds. In Elko, the agreement is a county-funded match to the state grant that funds the CD to treat weeds on county roads. CDs also treat noxious weeds along the railways in a cooperative effort with both the county and the railroad. All CDs have a noxious weed program that will be affected.
- g. Urban conservation districts provide a site review service to their counties. The professional staff or board members review proposed development for natural resource conservation activities. These include the inclusion of BMPs, review of proposed revegetation seed species and rate, stormwater pollution, and in some cases they provide comment to the compliance of NPDES Phase II regulations.
- h. Washoe County, Clark County and Douglas County utilize CD board members and staff to encourage compliance in stormwater and erosion control issues to avoid the county having to red-tag. By using a non-regulatory partner like the CD to resolve issues, compliance is usually met and implemented with the help and expertise of the CD. The CDs also provide community outreach, assessment and technical assistance of BMPs.
- i. Assistance with and leadership in community efforts to educate the public about fire defensible space; forest health and restoration activities before and after fires.

- j. Conservation districts are the only non-regulatory governmental entity that can work and implement projects on both public and private land. While the latest focus of natural resource conservation is to do planning and implementation on a watershed basis, many counties and federal agencies have relied on conservation districts to lead projects because of that ability. Sage Grouse habitat restoration is an example of this in some counties.
 - k. Commissioner Freeman noted there are a few states that do not have commissions, however, in these states local conservation districts do have the ability to tax and their associations have taken the position to act as a commission and guide their districts; providing an example of California as one of those states. However, in Nevada districts do not have the ability to tax.
6. The commission decided to strategically create a budget for proposal at the Senate and Assembly hearing committees. Mr. Lawrence provided figures for specific line item costs associated with the division, commission and grants to district program. After working various scenarios, the commission agreed on a proposed budget they felt was competitive and still allowed for adequate function of the commission, division and local conservation districts. The commission chose to eliminate the line item for workers comp. and general liability insurance and increase the grants to district line item as an off-set to the insurance. The commission suggested waiving their salary for meetings to help eliminate cost. (See attached – SCC proposed budget) Commissioner Wallace made a motion to approve the proposed budget, seconded by Commissioner Lamm, all in favor, motion passed. – *ACTION*
7. Commissioner Fortier requested an update on the status of the NRCS and NFWF grants. Jim noted the NRCS grant was approved, but without having the staff to implement the contract we will not be billing on the grant. The NFWF grant was not signed due to staffing changes. It would not have been logistically possible to implement it.
8. The commission discussed creating a position statement to be carried out as a long term strategic plan driven by the commission. Staff will notify the commission and local district supervisors of dates and times of the legislative committee meetings. It was suggested the importance of introducing any testimony related to youth projects and education including Carson Valley River Days, Range Camp, etc. Rich Wilkinson of DVCD suggested additional testimony regarding districts providing local construction contracts that are helping to put people back to work and in turn bettering Nevada's economy. Commissioner Lamm made a motion to have Pam Wilcox put together talking points and testimony for the commission to present to the legislature. Commissioner Rieman seconded the motion, motion passed. – *ACTION*
10. A scenario was discussed to consolidate districts by county. Many dispute this to be a feasible option as counties with multiple districts have very different needs and concerns. Commissioner Lamm provided an example with her own district. Southern Nye County is the third largest in the nation with two districts representing this large area. There are vast difference in the issues between the southern CD and northern CD. Elko conservation districts could benefit reducing the eight conservation districts currently within one county down to three or even four. There has been interest to explore this option on the part of the commission and administration, but not by the districts. In years past there hasn't been any incentive for districts to consolidate. The logistics of how to consolidate would have to be researched and input from the districts would be essential. The criteria would have to be a benefit to all involved.
- a. Jim said it would give a better opportunity to districts that do not have staff support the ability to obtain support staff. It has been proven those districts with staff are able to bring in additional funding and in turn put more conservation projects on the ground. He suggested with the limited time frame and budget, the commission could use this as part of their legislative strategy to

show how they are looking to change the way conservation districts could do business to become more effective and efficient.

11. Jim notified the commission of the Governor's recommendation to sunset all commissions and boards in 2013. There will be a review of the existing commissions and boards at that time; however, it is the staff's understanding this does not include local district boards.

B. Review and discussion of proposed bills that could affect conservation districts. -

ACTION

1. Jim Lawrence updated the commission of a list of bills he is tracking; however, at this time there are very few with language available. He will continue to monitor the bills and provide updates when available. Chairman Sicking requested information regarding BDR 299 sponsored by Assemblyman Goicoechea naming the commission to review and approve the conservation plans for over appropriated basins. Jim notified the commission language for this bill had not been released as of today.

VIII. COMMISSIONER ITEMS

- A. Teleconference to be held February 17 at 12:00 pm.
- B. Items will include discussion of proposed legislative strategy for upcoming hearings and BDR updates.
- C. The commission set a secondary meeting to be held May 26, 2011 at 10:00 am at DCNR.
- D. Items to be discussed will include possible action regarding the Governor's proposed budget and BDR updates.
- E. The commission will have a third meeting mid-June, date and time to be determined to review conservation district proposed budget and work plans.

IX. PUBLIC COMMENTS- No public comment.

X. ADJOURNMENT - *ACTION*

- A. Chairman Sicking adjourned the meeting at 1:23 pm.